



**APPROVED MINUTES
CITIZEN BOND REVIEW COMMISSION**

**Human Resources Building, Pinnacle Room
7575 E. Main Street
Scottsdale, Arizona 85251
Thursday, February 2, 2006**

CALL TO ORDER

A regular meeting of the Scottsdale Citizens Bond Review Commission was called to order at 5:03 p.m.

ROLL CALL

Present:

Steven Sagert, Chairman
Sam West, Vice Chairman
Don Adams
Larry Beckner (arrived at 5:10 p.m.)
Judith Brotman
Judy Frost (arrived at 5:15 p.m.)
Paul Hughes
Chuck Kaufman
Tom Lanin
Will Magoon
Don Raiff
Eric Schechter
Sue Sisley (arrived at 5:05 p.m.)

Absent:

Lee Tannenbaum

Staff: Craig Clifford, Financial Services General Manager
Al Dreska, Municipal Services General Manager
Roger Klingler, Assistant City Manager
Judy McIlroy, Senior Budget Analyst
Don Penfield, Facilities Management Director
Judy Weiss, Parks and Recreation Director
Sylvia Romero, Senior Budget Analyst, CIP Coordinator
Art Rullo, Budget Director
Dan Worth, City Engineer
Dave Meinhart, Transportation Planning Director

A formal roll call confirmed the presence of Commissioners as noted above.

Approval of Minutes, November 3, 2005 meeting

Chairman Sagert read a proposed correction to the minutes, which he presented to the reporter with a request to review the audio recording and amend as appropriate. Pending this review, approval of the minutes of the November 3, 2005 meeting was postponed to the next meeting.

In response to a query from Commissioner Kaufman, Chairman Sagert advised the Commissioners that draft minutes are available on the City's website within ten days after the meeting.

New Business

1 Overview of proposed changes

Chairman Sagert noted the presence of several staff members whom he would like to have excused. He asked whether Commissioners thought there would be any need for input from staff on questions other than Questions 1, 2, and 7. Chairman Sagert proceeded to excuse those staff members.

Question 1

Mr. Roger Klingler, Assistant City Manager, noted that staff have made every effort to present the information in a format that is easy to follow and understand, while accounting for all funds. He reviewed the information Commissioners received in their packets.

Replying to a question from Commissioner Beckner, Mr. Craig Clifford, Financial Services General Manager, advised the Commission that a project remained in the City budget and was re-budgeted and carried forward until it was completed. When construction is complete the asset is capitalized. This is something many people are not aware of.

Mr. Klingler noted that only bond funding is shown on the summary page and lead sheet for each question. Other sources of funding exist for some projects, but Bond 2000 is the Commission's focus.

Commissioner Adams asked whether the grant monies that are available effect an improvement in the schedule on project P0704 Bikeways Program. Mr. Klingler replied that it does not.

Commissioner Lanin commented that the format is terrific and very easy to follow.

In response to a question from Commissioner Raiff, Mr. Don Penfield, Facilities Management Director, said that plans for expanding and upgrading sports lighting had to be prioritized. The sites are mostly at schools and it would be impractical to close all the fields for construction at the same time.

Commissioner Adams asked for clarification of the term "essentially complete." Mr. Al Dreska, Municipal Services General Manager, replied that it means that the facility will be in use but not necessarily finalized. Mr. Clifford added that the project remains in the budget until the final punch list is completed.

Commissioner Raiff asked what needs to be done to advance construction of Troon North Park. Mr. Penfield explained that staff plan to start design in 2006/07 and construction in 2007/08.

Commissioner Hughes asked how Commissioners can get a sense of when a project is over its budget. Mr. Dreska replied that no project can exceed its budget without action being taken. The construction contract is fully funded. However, staff anticipate a funding shortage to complete acquiring fixtures and move-in items required for the project. Staff had identified this at the last meeting. Although others have characterized the project as being over budget, this is not accurate.

In reply to a question from Commissioner Magoon, Mr. Dreska confirmed that where there is no change, future projects have not yet been moved into the 5-year plan.

Question 2

Mr. Klingler explained the proposed changes to the budget for Neighborhood Flood Control Bonds. The budget remains the same but funds have been moved between projects.

Commissioner Beckner asked when the Granite Reef project was conceived. Mr. Dreska advised the Commission that the project is under design and construction is expected to start within a few months. The Granite Reef watershed has been a problem for decades. The result will be to relieve approximately 300 households of the obligation to purchase flood insurance. Commissioner Beckner commented that the project deserves publicity as it shows a quantifiable benefit for south Scottsdale residents.

In response to a question from Vice-Chairman West, Mr. Klingler clarified that the figure in the left-hand column under "2005/06 Approved" denotes amounts that were approved in that year.

Question 3

Mr. Klingler noted that there are essentially no changes in this area.

Vice-Chairman West asked for an explanation on Arts in Public Places. Mr. Art Rullo, Budget Director, explained that the \$160,000 was transferred from a project under this question to the Arts in Public Places project to comply with City policy.

In answer to a further question from Commissioner Sisley, Mr. Rullo said the City policy is that 1 percent of the project cost for civic structures be devoted to public art.

Question 5

No changes are proposed under this question.

Question 6

Mr. Klingler advised the meeting that no changes are proposed to the helicopter program.

Question 7

Mr. Klingler reviewed the proposed changes to the transportation program budget. Mr. Dave Meinhart, Transportation Planning Director, explained how Proposition 400 funding functions.

Commissioner Hughes asked what was the financial impact on the City of the default of the general contractor who had the 96th Street Shea Boulevard to Sweetwater project. Mr. Dreska explained that the City contract guarantees that the bonding company will provide a replacement contractor. A payment bond ensures payment for subcontractors and suppliers. A replacement contractor resumed work on the project yesterday and staff expect completion within two months.

Commissioner Raiff asked why the grant for bus stop improvements is not shown on the page. Mr. Meinhart explained that the summary page shows bond funding only.

Vice-Chairman West commented that he saw nothing that would create significant additional operational costs that have not already been covered in other discussions. Mr. Klingler confirmed this is correct.

**COMMISSIONER FROST MOVED TO ACCEPT THE STAFF RECOMMENDATION
FOR PROPOSED CHANGES TO THE BOND 2000 PROGRAM FOR FY 2006/07.**

COMMISSIONER BECKNER SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY BY A VOTE OF THIRTEEN (13) TO ZERO (0).

Mr. Klingler reviewed the overall summary contained in Bond 2000 Project Expenditures Expended and Committed.

Vice-Chairman West asked staff what the total percentage of the ballot authorization will be spent by the end of 2006, taking into account what the Commission had just approved.

Mr. Clifford undertook to provide this information at the next meeting. He stated that staff try to time the sale of bonds to cover cash needs. Having fewer bond issues for larger amounts minimizes issuance costs. A bond sale is not currently planned in fiscal year 2006/07. There might be a reimbursement resolution. Vice-Chairman West commented that the City has followed this practice in the past.

Mr. Clifford explained that at the time of the last bond issuance in December 2005, the City was at or near deficit mode. Some of the funds raised by the bond issuance were used to reimburse the City.

Commissioner Kaufman asked why three projects on Question 1 are identified with a T project number, which is associated with transportation. Mr. Clifford explained that bike and multi-use paths can be considered recreational projects. The State bond debt limitations permit a higher limit for debt for parks. However, since the paths are usually designed in conjunction with roadway projects, the Transportation Department manages the projects.

2 Election of officers

Chairman Sagert stated that he wished to take photos of the Commissioners and staff after the election of officers. He commented that he has enjoyed the last 2 -1/2 years. The Commissioners have been wonderful and the Commission's work helps the City and property values.

The Commission bylaws do not allow him to serve another term as Chairman.

COMMISSIONER HUGHES NOMINATED VICE-CHAIRMAN WEST FOR THE POSITION OF CHAIRMAN. COMMISSIONER ADAMS SECONDED THE NOMINATION. THE NOMINATION CARRIED BY A UNANIMOUS VOTE OF THIRTEEN (13) TO ZERO (0).

Vice-Chairman West accepted the position and assumed the chair for the remainder of the meeting.

Chairman West called for nominations for the position of Vice-Chairman. In response to a query by Commissioner Hughes, Mr. Rullo consulted the bylaws and confirmed that past Chairman Sagert was eligible to hold that position.

COMMISSIONER HUGHES NOMINATED PAST CHAIRMAN SAGERT FOR THE POSITION OF VICE-CHAIRMAN. COMMISSIONER KAUFMAN SECONDED THE NOMINATION. THE NOMINATION CARRIED BY A UNANIMOUS VOTE OF THIRTEEN (13) TO ZERO (0).

Vice-chairman Sagert thanked the Commissioners, noting that the Commission achieved a lot. His advice was to address any questions to staff, but respect their time in making requests. Chairman West added that in his experience staff have always answered his questions quickly and thoroughly.

3 May Quarterly Meeting

Vice-Chairman Sagert remarked that staff will provide information as to what percentage of the ballot authorization will be spent by June 30, 2006 fiscal year-end.

Approval of the minutes from the November 3, 2005 meeting will be on the May agenda.

Mr. Klingler advised the Commission that staff will present a tentative update on the proposed FY 2006/07 budget if possible.

Commissioner Hughes commented that during the tour of the City, Vice-Chairman Sagert had suggested that signage be placed at bond funded projects to make citizens aware of them. This publicity would be appropriate, especially in light of public commentary at the last meeting.

Mr. Dreska replied that staff had intended to place signage identifying bond-funded projects. They will take appropriate action.

Commissioner Raiff requested a review of projects that are still under the "future" column with no year assigned.

On behalf of the City staff, Mr. Klingler thanked Vice-Chairman Sagert for his service as Chairman of the Commission. He added that staff appreciate questions from Commissioners before meetings.

Open Call to the Public

None

Adjournment

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 6:12 pm.

Respectfully submitted,
A/V Tronics